



1 ninety-six percent, outstripping the rate of growth of the overall state economy by more than  
2 three times; and

3 WHEREAS, in 2014, the state issued inventory credits worth over four hundred  
4 fifty-two million dollars, of which only seventy-six million dollars offset tax liabilities and  
5 over three hundred seventy-five million dollars served as direct cash reimbursements; and

6 WHEREAS, this money is a direct reduction of state general funds with no  
7 legislative appropriation, oversight or evaluation as a spending priority by the legislature;  
8 and

9 WHEREAS, neither exempting inventory from taxation nor eliminating the credit  
10 is a viable solution because exempting inventory from local property tax without an  
11 alternative revenue source would harm the ability of local governments that rely on these  
12 taxes to provide essential services; and

13 WHEREAS, eliminating the inventory tax credit would subject businesses that pay  
14 this tax to an unsustainable tax burden and significantly decrease Louisiana's  
15 competitiveness; and

16 WHEREAS, inaction is not an option due to the rate of growth of the tax credit and  
17 its growing impact on the state's fiscal health; and

18 WHEREAS, if the inventory tax credit continues its current rate of growth, it will  
19 increase to annual expenditure of over one billion dollars within the next eight years, which  
20 could result in either higher taxes or severe budget cuts, the latter of which could ultimately  
21 prove disastrous for the two largest state general fund beneficiaries, higher education and  
22 healthcare; and

23 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana establishes a  
24 task force to meet and to do the following:

25 (1) Examine other states' local government tax structure.

26 (2) Forecast the long-range impact of the current structure on both state and local  
27 government funding.

28 (3) Examine economic competitiveness models and reports to determine  
29 recommended best practices.

30 (4) Recommend comprehensive solutions that will fully fund local government,

1 reduce or eliminate the growing impact on the state general fund of the state tax credits for  
2 ad valorem taxes on inventory and vessels, and retain or enhance the state's business  
3 competitiveness.

4 BE IT FURTHER RESOLVED that the task force shall consist of the following  
5 members, who shall serve without compensation except for their reasonable and necessary  
6 expenses related to the performance of their duties as members of the task force or per diem  
7 or expense reimbursement to which they may be individually entitled as members of their  
8 respective constituent organizations:

9 (1) Two members of the Senate, to be appointed by the president of the Senate.

10 (2) Two members of the House of Representatives, to be appointed by the speaker  
11 of the House.

12 (3) A member appointed by the board of directors of the Police Jury Association of  
13 Louisiana.

14 (4) A member appointed by the board of directors of the Louisiana Assessor's  
15 Association.

16 (5) A member appointed by the executive board of the Louisiana Sheriffs  
17 Association.

18 (6) A member appointed by the executive board of the Louisiana Municipal  
19 Association.

20 (7) A member appointed by the board of directors of the Louisiana School Boards  
21 Association.

22 (8) A member appointed by the board of directors of the Louisiana Association of  
23 Business and Industry.

24 (9) A member appointed by the board of directors of the Louisiana Retailers  
25 Association.

26 (10) A member appointed by the governing board of the Louisiana Automobile  
27 Dealers Association.

28 (11) A member appointed by the state director of the Louisiana chapter of the  
29 National Federation of Independent Business.

30 (12) A member appointed by the board of directors of Louisiana Industrial

1           Development Executives Association.

2           (13) A member appointed by the board of directors of the Public Affairs Research  
3           Council of Louisiana.

4           (14) A member appointed by the members of the Louisiana Tax Commission.

5           (15) The secretary of the Department of Revenue, or the secretary's designee.

6           (16) The secretary of the Department of Economic Development, or the secretary's  
7           designee.

8           (17) The faculty member with revenue forecasting experience serving on the  
9           Revenue Estimating Conference.

10          (18) The Legislative Auditor or the auditor's designee.

11          BE IT FURTHER RESOLVED that the task force shall conduct monthly meetings  
12          and may consider testimony from witnesses and documents produced for purposes of the  
13          task force.

14          BE IT FURTHER RESOLVED that the meetings of the task force shall be held at  
15          the state capitol and be open to the public, pursuant to the provisions of R.S. 42:12 et seq.

16          BE IT FURTHER RESOLVED that the vice chairman of the Senate Committee on  
17          Finance shall serve as the chairman of the task force, shall prepare the schedules and agendas  
18          for meetings, and coordinate all staff support deemed necessary for the function of the task  
19          force.

20          BE IT FURTHER RESOLVED that the fiscal division staffs of the Senate and House  
21          of Representatives, Legislative Fiscal Office, Legislative Auditor, the Louisiana Tax  
22          Commission and the Department of Revenue, shall provide any necessary support to carry  
23          out the purposes of the task force.

24          BE IT FURTHER RESOLVED that this task force shall convene no later than July  
25          31, 2016, and report its findings and recommendations to the president of the Senate and the  
26          speaker of the House of Representatives no later than February 1, 2017.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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## DIGEST

SCR 6 Original

2016 First Extraordinary Session

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Creates a task force to meet and study state and local taxation laws with respect to local government funding from ad valorem taxes on inventory, ad valorem taxes on vessels in Outer Continental Shelf Lands Act Waters, and the state associated tax credits.

The task force is to be comprised of 20 members that include members of the Senate and the House of Representatives, industry representatives, local and state government representatives, a public interest representative, the faculty member with revenue forecasting experience serving on the Revenue Estimating Conference, and the Legislative Auditor.

Requires that the task force meet monthly, starting no later than July 31, 2016, and report its findings and recommendations to the president of the Senate and the speaker of the House of Representatives, no later than February 1, 2017.